

SU/20/37

March 24, 2020

**The Acting Chair's Summing Up  
The Gambia—Request for a 39-Month Arrangement  
Under the Extended Credit Facility  
Executive Board Meeting 20/28  
March 23, 2020**

Directors commended The Gambia's authorities for their performance under the Staff Monitored Program, which helped stabilize the economy and reduce debt vulnerabilities, and supported their request for a 39-month Extended Credit Facility. They noted the program should aim to support medium-term reform efforts, catalyze donor financing, and address the consequences of the COVID-19 pandemic, which poses significant risks notably to the country's large tourism sector.

Directors encouraged the authorities to remain committed to fiscal consolidation in the medium-term to ensure debt sustainability, while creating fiscal space for priority investment and social spending. They suggested to seek grants and highly concessional financing for large scale investment projects, and to strengthen the project selection and public procurement processes. Directors further highlighted the importance of strengthening tax administration and public financial management, improving the governance and management of state-owned enterprises, better targeting of social assistance, and reinforcing fiscal transparency and budget control.

Directors encouraged the authorities to further improve the monetary policy framework, including by gradually adjusting the interest rate corridor, and enabling the SDF rate to effectively anchor the functioning of the interbank market, and strengthen the central bank's balance sheet.

Directors emphasized the need to implement the recommendations of the 2019 Financial Sector Stability Review to ensure the soundness of the financial sector and improve the legal and regulatory framework for banking supervision. They also underscored the need for continued efforts to deepen financial intermediation and inclusion.

Directors emphasized that accelerating structural reforms, improving governance and enhancing social protection, as outlined in the authorities' National Development Plan, will be necessary to improve the business environment and foster private sector-led inclusive growth. They recognized the authorities' efforts to combat corruption, but called for further measures, including on the AML/CFT front.